



**David Lehman**  
Commissioner

***TESTIMONY PRESENTED TO THE APPROPRIATIONS COMMITTEE***

*February 16, 2022*

*David Lehman, Commissioner  
Department of Economic and Community Development*

*Fiscal Year 2023 Budget Adjustments*

Good afternoon, Senator Osten, Representative Walker, Senator Miner, Representative France and members of the Appropriations Committee. My name is David Lehman, and I am commissioner of the Department of Economic and Community Development (DECD). I appreciate this opportunity to appear before you concerning Governor Lamont's proposed FY 2023 budget adjustments for economic and community development.

Our mission at DECD is to develop and implement strategies to increase the state's economic competitiveness. We do this by attracting and retaining businesses and jobs, revitalizing neighborhoods and communities, and preserving and promoting Connecticut's arts, cultural, and tourism assets.

**AGENCY SUMMARY**

<b>Personnel Summary</b>	<b>FY 21 Actual</b>	<b>FY 22 Estimated</b>	<b>FY 23 Total Appropriated</b>	<b>FY 23 Net Adjustments</b>	<b>FY 23 Revised Recommended</b>
<i>General Fund</i>	90	90	90	-4	86
<b>Financial Summary</b>	<b>FY 21 Actual</b>	<b>FY 22 Estimated</b>	<b>FY 23 Total Appropriated</b>	<b>FY 23 Net Adjustments</b>	<b>FY 23 Revised Recommended</b>
<i>General Fund</i>					
Common Appropriations	8,405,925	8,669,453	8,483,944	-182,901	8,301,043
Other Current Expenses	13,040,596	7,113,485	7,123,670	0	7,123,670
<b>General Fund Total</b>	<b>21,446,521<sup>1</sup></b>	<b>15,782,938</b>	<b>15,607,614</b>	<b>-182,901</b>	<b>15,424,713</b>

<sup>1</sup> FY 21 funding includes the net impact of a transfer from DECD's Personal Services account to CRDA to cover a COVID related shortfall in CRDA's operating budget. The agency's PS account was made whole with a transfer from the Reserve for Salary Adjustment account.



*Tourism Fund*

Other Current Expenses	4,743,203	4,743,203	4,743,203	0	4,743,203
Pmts to Other Than Local Governments	4,586,582	4,605,741	4,605,741	0	4,605,741
Pmts to Local Governments	3,721,044	3,721,044	3,721,044	0	3,721,044
Tourism Fund Total	13,050,829	13,069,988	13,069,988	0	13,069,988
TOTAL-ALL FUNDS	34,497,350	28,852,926	28,677,602	-182,901	28,494,701

Over the past year, our department has been busy implementing the various new and existing programs funding through the FY 22-23 budget. This includes **legacy programs**, such as our Brownfield Remediation and Revitalization program, the Connecticut Manufacturing Innovation fund, and our various arts, culture, and tourism programs and grants, as well as **new programs**, such as the Innovation Corridor and CT Communities Challenge programs, the new and improved Small Business Express program, standing up the Social Equity Council as well as the Community Investment Fund 2030, and various Covid-related grant programs.

The Governor's FY 2023 budget adjustments maintain funding levels for our core programs and enhances funding levels for critical investments in the state's economic development assets. This includes:

**Expansions**

- \$150,000 to support the Greater Hartford Community Foundation, which runs the Travelers Championship. Nationally, nineteen states provide a total of \$3 million in financial support annually for PGA events that they host. This funding will help solidify Connecticut's partnership with this important economic and tourism event.

**Reallocations**

- A reallocation of -\$332,901 to centralize information technology functions under the Department of Administrative Services. Funding and 4 positions are transferred to the Department of Administrative Services as part of a realignment of information technology functions and staffing under the Bureau of Information Technology Solutions.

**Initiatives Funded from Carryforward**

- Funding was originally allocated to the Airport Authority from Coronavirus State Fiscal Recovery Funds as part of Public Act 21-2, June Special Session.



However, because the intended use is not permissible under that funding source, \$2,000,000 of support is shifted instead to carryforward funds.

**Initiatives Funded from Federal Coronavirus State Fiscal Recovery Funds**

- \$15,000,000 of federal Coronavirus State Fiscal Recovery Funds to expand workforce programming through CareerConneCT in FY 2024. The funding will expand upon the previously allocated \$70 million for the Governor's Workforce Initiatives, which is being utilized to support CareerConneCT to fund career programs for workers to train, upskill and reskill for in-demand careers.
- Allocates \$15,000,000 in FY 2023 and \$12,500,000 in FY 2024 to provide another summer of free summer programming, building on the success from the summer of 2021 when funding was provided to support free admission to museums, aquariums and other popular venues statewide.
- Allocates \$20,000,000 in FY 2023, to support the Innovation Corridor program which is a program intended to provide funding for two or more transformational, placemaking projects in major urban areas or regional economic centers. Additional resources for this program are available from bond funds.
- As noted above, this adjustment shifts \$2,000,000 in support for the CAA from CSFRF to carryforward funds.

We are confident that the Governor's proposed budget adjustments will provide DECD with the necessary and sufficient funds to carry out our mission, and to fund some of DECD's most important programs. I respectfully request the committee's support and thank you for your time and consideration. I am happy to answer any questions you may have.